

New Fund
Offer



L&T MIP - WEALTH BUILDER FUND

NFO OPENS: SEPTEMBER 27, 2011

NFO CLOSSES: OCTOBER 11, 2011

Offer of units at Rs. 10/- per unit during NFO

(Monthly income is not assured and is subject to availability of distributable surplus)

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**New Fund
Offer**

L&T MIP - WEALTH BUILDER FUND

An Open Ended Income Scheme

**Investment
Objective**

The primary investment objective is to generate monthly income through investments in a range of Debt, Equity and Money Market Instruments. Income will be distributed only if the same is earned by the Scheme and there can be no assurance that the objective of the Scheme will be realized

Monthly income is not assured and is subject to availability of distributable surplus.

70%

Can invest 70% to 100% in debt, MMI and Government Securities (Including CBLO/Reverse Repos)

30%

Can invest upto 30% in well researched stocks.



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TO BE
Benchmarked
AGAINST



CRISIS

MIP BLENDED FUND INDEX



MINIMUM APPLICATION AMOUNT



Monthly Dividend Option & Quarterly Dividend Option

A minimum of Rs. 10,000/- per application and in multiples of Re. 1/- thereafter.



For Growth Option

A minimum of Rs. 5,000/- per application and in multiples of Re. 1/- thereafter.

LOAD STRUCTURE

Entry Load : NIL

Exit Load :



1%

if redeemed \leq 1 year



NIL

if redeemed $>$ 1 year



Systematic Investment Plan

Available

A hand holding a pen and a calculator with a receipt. The hand is positioned on the left side of the image, holding a pen in the right hand and a calculator in the left hand. A receipt is emerging from the top of the calculator.

DIVIDENDS *tax-free* IN HANDS OF INDIVIDUAL INVESTORS

- Short Term Capital Gains will be as per individual slabs plus education cess of 2% & secondary and higher education cess @ 1%
- Long term capital gains will be 10 percent without Indexation or 20 percent with indexation benefit plus education cess of 2% & secondary and higher education cess @ 1%



Why L&T MIP - Wealth Builder Fund Now?

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2 *Reasons to why L & T MIP – Wealth Builder Fund Now*



Current Debt Market Scenario



Current Equity Market Scenario

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Current Debt Market Scenario

- With a Combination of CPs, CD's, Gilts and other debt instruments, the scheme could take benefit of a possible rally
- Investors may find opportunities to enter in the debt instruments including any possible rally in gilt markets going forward.

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Debt allocation in L&T MIP - Wealth Builder Fund



- In this scheme, the fixed Income allocation would be managed by investments in CD's, CP's, government securities and other debt instruments which endeavor to generate returns while moderating credit & interest rate risk .
- Scheme Endeavors to identify securities that offer suitable levels of yield at moderate levels of risks.

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Contd..

- Scheme Endeavors to hold securities, the duration management of which is aimed to be strategic and directional on the basis of the interest rate environment.
- Scheme Endeavors to make investments in debt securities having moderate to high rating so as to maintain the portfolio at minimal credit risk.
- Scheme Endeavors to make Investments, on the basis of thorough, in house credit research of companies which form a part of a well defined universe.

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Current Equity Market Scenario

- Current markets may offer you opportunities to purchase quality stocks at discount
- Marginal Equity allocation may provide advantage of any possible upside in the equity markets.
- Scheme Endeavors to Invest in stocks having long term potential
- Scheme may take exposure to equity diversified across stocks and sectors

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Equity Allocation in L&T MIP – Wealth Builder Fund



- Up to 30 % Equity allocation of the Scheme will be prudently invested in Growth and Value stocks

Key guiding principles for managing equity portion would be:

- Judicious mix of growth and value stocks depending on market view.
- Active cash call will be taken based on market view.
- Sector rotation strategies would be followed more actively.

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Debt Market Scenario

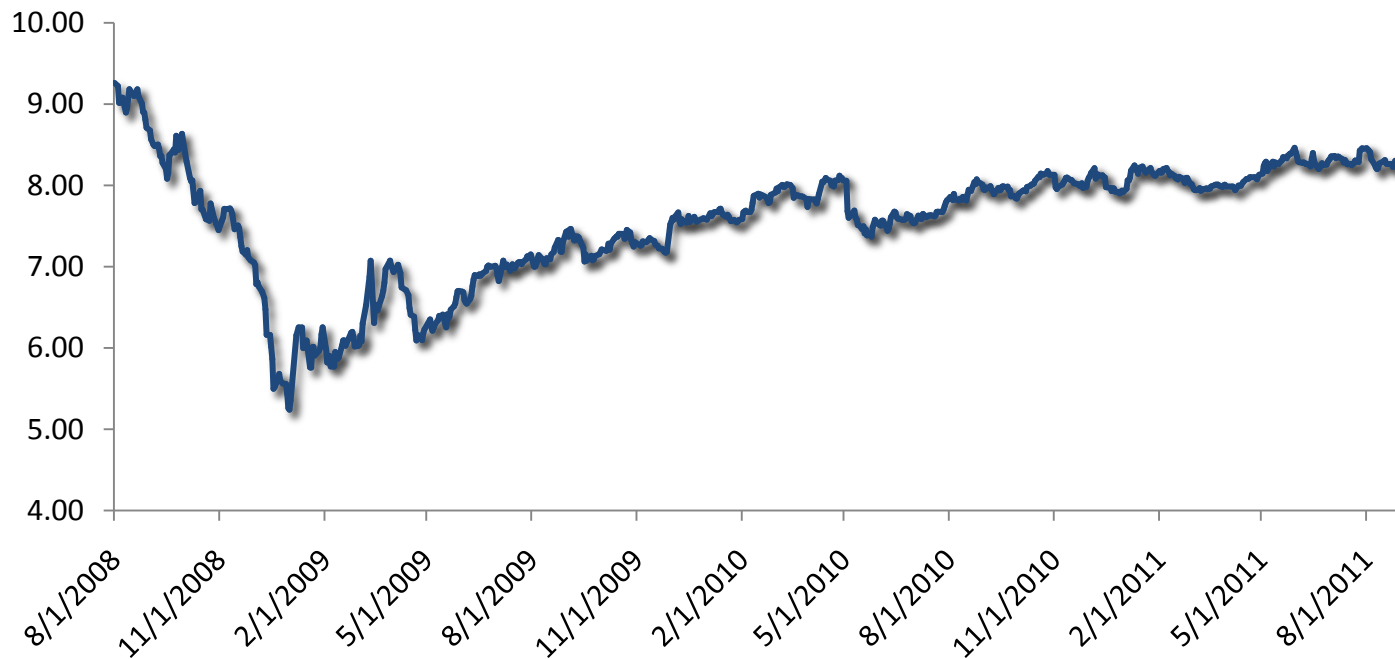
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Indian Debt Market Scenario

- Gilt yields have shown a rising trend.

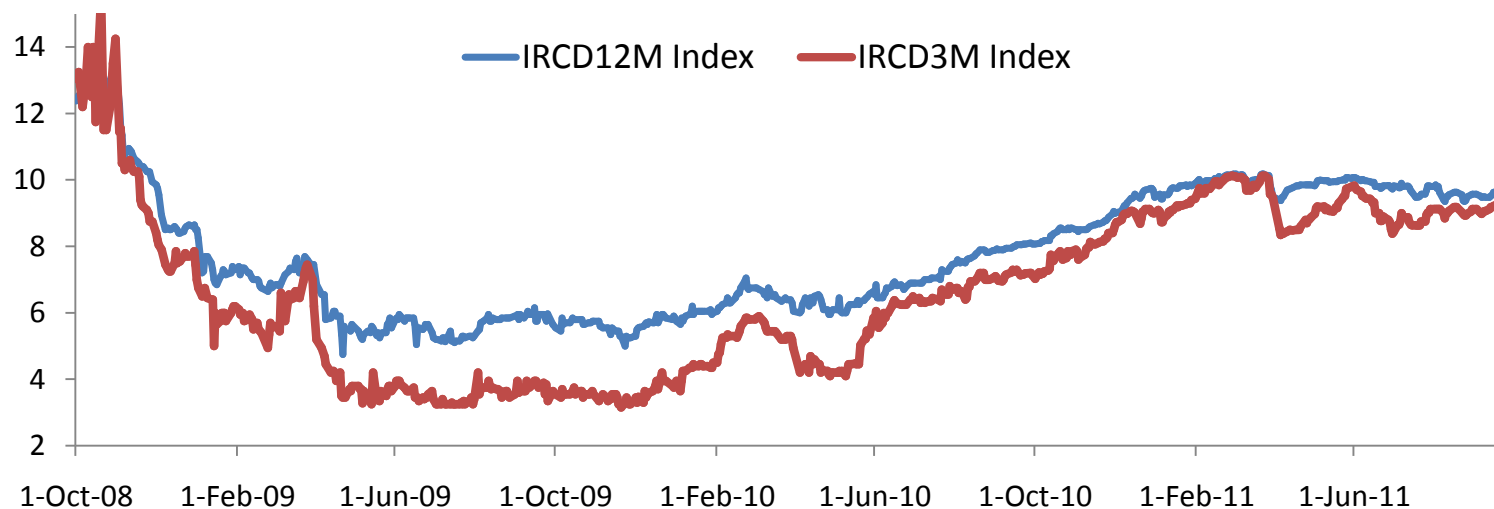
10 Year G-sec from September 2008 to September 2011.



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Indian Debt Market Scenario

- Money market rates have fallen since March 2011 however post July 2011 rates have risen again
- The graph shows 3 Month and 1 Year Certificate of Deposit rates from September 2008 to 2011



Source : Bloomberg Data as on 21-sept-11

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Indian Debt Market Scenario

- Corporate bond yields have shown mixed trend , the yields have been supported by demand from insurance companies, FII buying and attractive spreads.
- OIS (**Overnight Indexed Swap**)rates have shown significant volatility (fallen in long end and risen in short end) as compared to gilts due to global developments and expectation of peaking of interest rate hike cycle by RBI
- Reserve bank of India has hiked key repo rate 12 times in the past 18 months.
- Banking system liquidity has remained in deficit mode so far in this fiscal

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Global Debt Market Developments



- Yields of US treasuries have shown a declining trend as slower growth and weaker economic environment have led movement towards risk free assets.
- Continuing woes in the euro zone have also led investors towards flight to safety
- Crude oil prices have fallen from 108.30 /\$ in 31 Mar 2011 to 86.89/\$ as on Septemebr 20, 2011 as concerns of slowdown of global economy have increased.
- Gold prices have risen significantly on investor demand for safe haven assets, high inflation and central bank rate rise actions eroding value of paper money

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Why the Debt Markets may look reasonable ?

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Interest Rate Outlook

- The environment may turn favorable for a medium to long term bond portfolio as yields on debt instruments seem to be at reasonable levels.
- The Reserve Bank of India might be few steps close to the end of its rate tightening cycle, as inflationary pressures are likely to ease which might provide impetus for a pause.
- Slowdown in global economies could also impact domestic growth environment as export growth might slowdown.

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- Incremental deposit growth of Rs. 3,01,131 Crore in this fiscal has far outpaced credit growth of Rs. 1,02,779 Crore. This could lead to bank demand for SLR to remain robust and short term rates may remain stable going forward as bank CD issuances may not be high as in previous fiscal.
- Current rates of interest may open reasonable avenues to lock in the investments.
- Interest rates are not expected to remain high on a sustained basis, therefore investment at current levels may provide opportunity when the cycle reverses.

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Does the Equity
Market look
reasonable now?

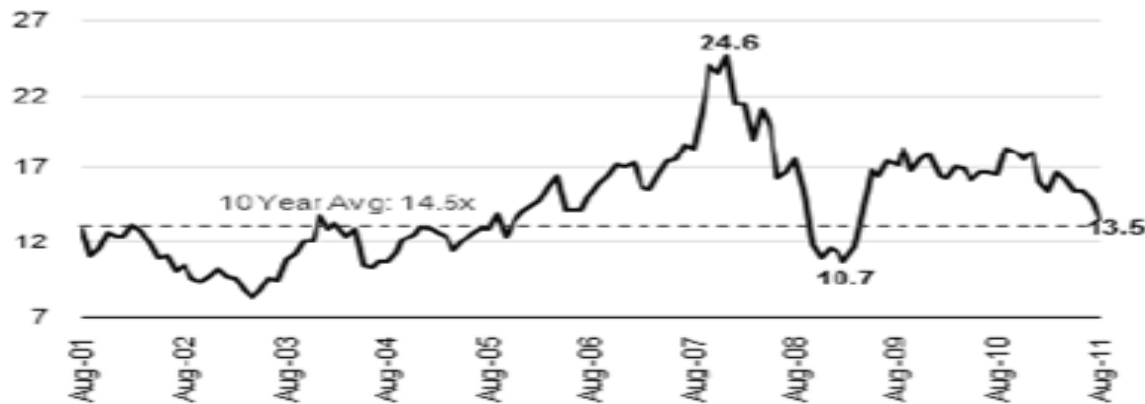
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Equity Markets Scenario

- Markets seem to be trading at reasonable levels. (Market PE trading at a discount to historical average). **Current Valuations below 10 Yrs Avg.**



- The Indian equity Markets appear to be trading at reasonable levels.
- The market Sensex is currently (June 2011 QTR) trading at P/E of 13.5 vis-à-vis P/E of 14.5 of last 10 year (June 2011 Qtr)
- This could offer an opportunity to build your wealth. Hence the current volatility in the market may provide a suitable entry point to generate long term wealth.

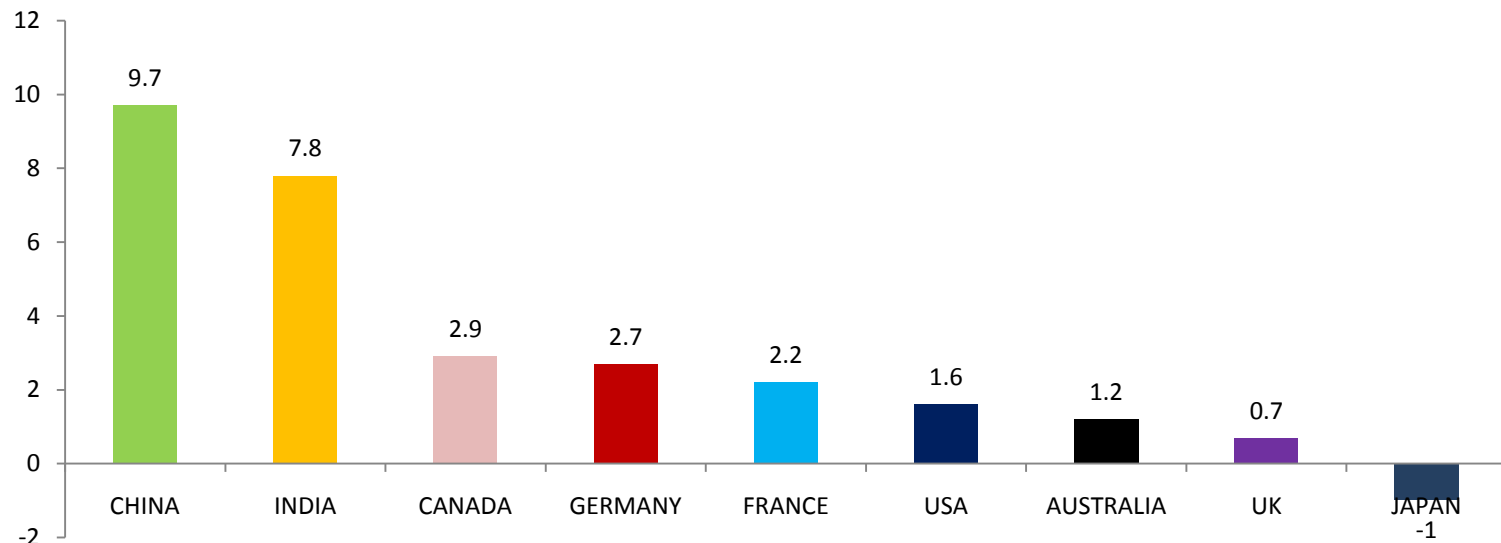
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- Current weakness and uncertainty may provide an entry point
- Indian growth seems to be relatively strong in relation to the global and developed market growth
- Currently Indian economy is most likely to be at the end of rate tightening, which may be a favorable environment to invest in equities
- Benign commodity prices & cooling of Oil prices internationally may favor Indian economy .

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World GDP Performance Compared with Indian GDP



India is considered as one of the fastest growing economies in the World.

For illustration purposes only

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Where are we in the Market Cycle?

Answer is Exactly where we were in September 2008



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**EQUITY MARKETS SEEM REASONABLE
INTEREST RATES HAVE RISEN
THIS COULD BE AN
OPPORTUNE TIME
TO RISE TO.**

The above statement should not be construed as an offer or solicitation for purchase of schemes of L&T Mutual Fund.

NFO closes: 11th October, 2011

Units are being offered at ₹ 10/- per unit during NFO



Interest Rates Have Risen. Equity Markets Seem Reasonable **LOHA GARAM HAI. STRIKE NOW!**



INTRODUCING

The above statement should not be construed as solicitation for purchase of the Scheme.



MIP-WEALTH BUILDER FUND

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An Open Ended Income Scheme. Monthly income is not assured and is subject to availability of distributable surplus.

Mutual Fund investments are subject to market risks. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

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STATUTORY DETAILS AND RISK FACTORS

Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settlor (liability restricted to the seed corpus of Rs. 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager.

Risk Factors: All investments in mutual funds and securities are subject to market risks and the NAV of the Scheme of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. L&T MIP – Wealth Builder Fund do not in any manner indicate either the quality of the Scheme or its future prospects and returns; and is only the name of the Scheme. There can be no assurance that the objectives of the Scheme/ Mutual Fund will be achieved.

Scheme Specific Risk Factors: Monthly Income is not assured and is subject to availability of distributable surplus. Investment in the Scheme shall be subject to various risks including but not limited to risk associated with: Investment in Equity and Equity related Instruments & Fixed Income Securities such as Performance Risk, Credit Risk, Reinvestment Risk, Interest Rate Risk, Investment in Derivatives, Securitised Debt, etc. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.

STATUTORY DETAILS AND RISK FACTORS

Investment objective and classification: L&T MIP – Wealth Builder Fund (An Open Ended Income Scheme): The primary investment objective is to generate monthly income through investments in a range of Debt, Equity and Money Market Instruments. Income will be distributed only if the same is earned by the Scheme and there can be no assurance that the objective of the Scheme will be realized.

Load Structure: Entry Load: Nil, Exit Load: 1% if redeemed \leq 1 year; Nil - if redeemed $>$ 1 year. Bonus units and units issued on reinvestment of dividends shall not be subject to exit load. The investor is requested to check the prevailing load structure of the Scheme before investing. **Asset Allocation:**

Debt, Money Market Instruments & Government Securities (including CBLO/ reverse repos): 70%-100% and Equity & Equity Related Instruments: 0%-30%. The Scheme may invest upto 50% of its net assets in Securitised debt. The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time. The stock lending, if undertaken, would not exceed 15% of the net assets of the Scheme. For further details, Investors are requested to refer Section on "Asset Allocation" in Scheme Information Document.

Terms of issue and mode of sale and redemption of units: Units of the Scheme are being offered at Rs. 10/- per unit during NFO and at NAV based prices, subject to the prevailing loads, upon re-opening. The AMC shall calculate and publish the NAV of the Scheme on all Business Days. Investors are requested to note that ASBA facility is also available as an additional mode of payment during NFO (for lumpsum investments). Units of the Scheme can also be transacted in demat mode (only) on the Mutual Fund Service System (MFSS) of NSE and/ or (StAR MF) of BSE. SID, SAI, Key Information Memorandum and Application Forms are available at AMC Branches/ Collecting Bankers/ Investor Service Centres/ Distributors and at Mutual Fund website www.lntmf.com.

Thank you